

**MONTANA PUBLIC SERVICE COMMISSION  
UTILITY DIVISION  
AGENDA NO. 06-08-29**

Date Published: August 24, 2006  
For Work Week Commencing: August 28, 2006  
Commission Meeting: August 29, 2006, 9:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.mt.gov>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Live audio feed Unless otherwise noted on this agenda, all Commission meetings held during regular business hours that are noticed on this agenda will be webcast live via the audio feed link on the PSC website (<http://psc.mt.gov/eDocs/#Calendars>). The audio feeds of meetings are also archived at the same website location.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Kate Whitney at (406) 444-3056. She may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

**9:00 a.m. Weekly Scheduling** (Commission Conference Room – No Web Audio Feed)

**9:30 a.m. Business** (Bollinger Room)

**Public Comments**

**Action Items** All items identified below are for action at the Commission business meeting.

1 MDU Resources Group, Inc D2006.8.12 (Eric)

On August 15, 2006, MDU Resources Group, Inc. applied for authority to issue over a two-year period \$750,000,000 of long-term financing in the following amounts: (1) the issuance of not to exceed \$750,000,000 of the

Company's Common Stock; (2) the issuance of not to exceed \$112,500,000 of the Company's Preferred Stock and/or Preferred Stock A; (3) the issuance of not to exceed \$262,500,000 of the Company's secured debt securities; (4) the issuance of not to exceed \$262,500,000 of stock purchase contracts and (5) the issuance of not to exceed \$262,500,000 of hybrid securities such as convertible or unconvertible preferred securities, putable or callable instruments. The proceeds of these issuances will be used for funding the Company's capital requirements, for the refunding of its outstanding obligations, for corporate development including the acquisition of businesses or business assets and for other general corporate purposes. A default order has been drafted. Probable motion: Grant MDU Resources Group, Inc.'s application to issue securities over a two-year period not to exceed \$750,000,000.

**Work Sessions** All items identified below are for Commission discussion or action on the day designated.

1. D2006.2.15 - Cut Bank Gas – Final rates – Review Cut Bank Gas proposed refund amount and rates. (8/29/06)
2. D2006.6.82 – NorthWestern Corporation and Babcock Brown Infrastructure Limited, et al. Joint application for approval of the sale and transfer of NorthWestern Corporation pursuant to a merger agreement – Discuss and act on NorthWestern's and BBI's requests for oral argument on their respective motions for protective orders and any other matters regarding the docket. (8/22/06)
3. D2006.1.2 – PSC Initiated – Montana-Dakota Utilities Co Electric and Gas USB Investigation – Discussion, direction, action on notions, possible change in procedure, possible court action other matters as necessary.(8/22/06)
4. D2005.6.105 – PSC Initiated – Investigation of Qwest's use of federal universal service funds (FUSFs) – Discuss, as necessary, any and all matters related to this docket. These discussions may include any or all of the following: review of the record, policy and procedural options, and decisions on how Qwest must use FUSFs.(8/22/06)

**Other Meetings**

Weekly Scheduling – Will be held at 9:00 a.m. on the day of the Commission Meeting

**Notice Items** All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

1. CenturyTel N2006.8.122 (Scott)

On August 17<sup>th</sup> CenturyTel filed Transmittal No. 06-06. In this filing CenturyTel is requesting to establish a schedule for N11 Abbreviated Dialing Codes. The Company requests an effective date of September 16, 2006, for this filing.

**Protective Orders – Notice Items** The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Any person wanting a copy of a protective order request should contact the Commission at (406) 444-6199.

1. NorthWestern Corporation D2006.6.82 (AI)

On August 22<sup>nd</sup> NorthWestern Corporation (NorthWestern) filed a Motion for a Protective Order. NorthWestern seeks protection for the following information:

1. All or parts of the Company Disclosure Letter described in Section 3.01 of the Agreement and Plan of Merger between NorthWestern and Babcock & Brown Infrastructure Limited (BBIL);
2. Minutes of the NorthWestern's Board of Directors and its committees for the period from January 1, 2005 to the present;
3. Minutes of NorthWestern's regulated and unregulated Energy Supply Boards from January 2004 to the present;
4. Written analyses of strategic alternatives and sale proposals provided to NorthWestern's Board of Directors;

5. Detailed descriptions of each offer received;
6. Documents received from prospective acquirers that relate to or demonstrate how the prospective acquirer satisfies the PSC criteria/factors;
7. All underlying analysis that supports NorthWestern's public representations that the MPPI proposal was unlikely to obtain regulatory approval and funding;
8. List of prospective purchasers to whom NorthWestern sent its bid solicitation;
9. All documents issued by NorthWestern to prospective purchasers;
10. All documents received from BBIL in response to NorthWestern's solicitation of bids; and
11. All communications between NorthWestern or BBI and debt rating agencies.

In addition to protection for the above items, NorthWestern has requested inclusion of the following special terms and conditions in the protective order:

1. Competitive Bid Information. Competitive Bid Information is that information that is not only confidential proprietary information, but also discloses either how a bidder valued NorthWestern for purposes of submitting a bid to acquire it, or how NorthWestern evaluated the competitive bids that were submitted to it. Only the Montana Consumer Counsel and the Commission's Staff shall have access to the Competitive Bid Information, as provided in this Order. All documents, data, information, studies and other materials furnished pursuant to any data requests or other modes of discovery, or otherwise requested by the Commission of the MCC in this docket, that are Competitive Bid Information shall not be used or disclosed except in accordance with this Order. Competitive Bid Information includes all documents and materials derived from notes or summaries prepared by the Montana Consumer Counsel or the Commission Staff after their review of Competitive Bid Information. All material which is Competitive Bid Information must be copied onto pink paper, stamped, and designated as Competitive Bid Information. Competitive Bid Information will be made available to the Montana Consumer Counsel and the Commission Staff at the law offices of John Alke, 40 W. Lawrence, Suite A, Helena, MT 59601.
2. Rating Agency Information. Rating Agency Information is that information that is not only confidential proprietary information, but information prepared for submission to a Rating Agency. Only the Montana

Consumer Counsel and the Commission's Staff shall have access to the Rating Agency Information, as provided in this Order. All documents, data, information, studies and other materials furnished pursuant to any data requests or other modes of discovery, or otherwise requested by the Commission of the MCC in this docket, that are Rating Agency Information shall not be used or disclosed except in accordance with this Order. Rating Agency Information includes all documents and materials derived from notes or summaries prepared by the Montana Consumer Counsel or the Commission Staff after their review of Rating Agency Information. All material which is Rating Agency Information must be copied onto pink paper, stamped, and designated as Rating Agency Information. Rating Agency Information will only be made available to the Montana Consumer Counsel and the Commission Staff at the law offices of John Alke, 40 W. Lawrence, Suite A, Helena, MT 59601.

3. Prohibition On Disclosure of Competitive Bid Information or Rating Agency Information. Neither the Montana Consumer Counsel nor the Commission Staff shall disclose Competitive Bid Information reviewed under ¶ 1 or Rating Agency Information reviewed under ¶ 2 to anyone other than the Commission without a Commission order, entered after notice and hearing, specifically authorizing such disclosure. A Commission order authorizing the disclosure of Competitive Bid Information or Rating Agency Information shall delay its effective date for a period of seven business days after its issuance to allow the providing party reasonable opportunity to seek a stay or other appropriate judicial relief.

2. NorthWestern Corporation D2006.6.82 (AI)

On August 22<sup>nd</sup> Babcock & Brown Infrastructure Limited (BBIL), who along with Babcock and Brown Infrastructure Trust form Babcock & Brown Infrastructure (BBI) filed a Motion for a Protective Order. BBI seeks protection for the following information:

1. The Commitment Letter and Term Sheet dated April 21, 2006 from Commonwealth Bank of Australia, HSH Nordbank AG, New York Branch, and Dresdner Bank AG London Branch to BBIL;
2. Consultant reports from: Mercer Finance and Risk Consulting Group (dated April 10, 2006); and Marsh & McLennan Companies (dated April 12, 2006);
3. The acquisition models used by BBI;

4. All non-public correspondence to any rating agencies from BBI, and all correspondence from the rating agency back to BBI, including, but not limited to, all correspondence wherein the Acquisition Model or any component part(s) of the Acquisition Model are discussed in any fashion;
5. All BBI or affiliate company Board of Director minutes (the April 7, 2006 BBIL Board minutes and the April 21, 2006 BBIL board minutes) where the NWE transaction was discussed and/or the acquisition model results were disclosed to the respective Board(s);
6. Consulting reports generated by: PA Consulting Group (dated April 4, 2006); KPMG, LLP (dated March 31, 2006); and Stone and Webster Management Consultants, Inc. (April 6, 2006);
7. BBIL Board presentation dated April 7, 2006; and
8. BBIL Capital Approval Request date March 20, 2006.

In addition to protection for the above items, BBI has requested inclusion of the following special terms and conditions in the protective order:

1. BBI Acquisition Model. BBI Acquisition Model data is that information that is not only confidential proprietary information, but information that discloses how BBI valued NorthWestern for purposes of submitting a bid to acquire it. Only the Montana Consumer Counsel and the Commission's Staff shall have access to the Acquisition Model Information, as provided in this Order. All documents, data, information, studies and other materials furnished pursuant to any data requests or other modes of discovery, or otherwise requested by the Commission of the MCC in this docket, that would disclose BBI's Acquisition Model or its component parts, including Board minutes, Board presentations or the Capital Approval Request shall not be used or disclosed except in accordance with this Order. Acquisition Model Information includes all documents and materials derived from notes or summaries prepared by the Montana Consumer Counsel or the Commission Staff after their review of Acquisition Model Information. Acquisition Model Information will be made available to the Montana Consumer Counsel and the Commission Staff at the law offices of Patrick T. Fleming, 120 N. Main Street, Suite 100, Butte, Montana, 59703.
2. Rating Agency Information. Rating Agency Information is all information submitted to any Rating Agency, rating BBI that is non-public confidential and proprietary in nature, including information prepared for submission to a Rating Agency which contains Acquisition Model data. Only the Montana Consumer Counsel and the Commission's Staff shall have access to the Rating Agency Information, as provided in this Order. All documents, data, information, studies and other materials furnished

pursuant to any data requests or other modes of discovery, or otherwise requested by the Commission of the MCC in this docket, that are Rating Agency Information shall not be used or disclosed except in accordance with this Order. Rating Agency Information includes all documents and materials derived from notes or summaries prepared by the Montana Consumer Counsel or the Commission Staff after their review of Rating Agency Information. All material which is Rating Agency Information must be copied onto pink paper, stamped, and designated as Rating Agency Information. Rating Agency Information will only be made available to the Montana Consumer Counsel and the Commission Staff at the law offices of Patrick T. Fleming, 120 N. Main Street, Suite 100, Butte, Montana, 59703.

3. Prohibition On Disclosure of Acquisition Model Information or Rating Agency Information. Neither the Montana Consumer Counsel nor the Commission Staff shall disclose Acquisition Model Information reviewed under ¶ 1 or Rating Agency Information reviewed under ¶ 2 to anyone other than the Commission without a Commission order, entered after notice and hearing, specifically authorizing such disclosure. A Commission order authorizing the disclosure of Competitive Bid Information or Rating Agency Information shall delay its effective date for a period of seven business days after its issuance to allow the providing party reasonable opportunity to seek a stay or other appropriate judicial relief.

**Protective Orders – Information Items** The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be obtained by calling the Commission at (406) 444-6199

**Information Items** All items identified below are for information only.

**New Filings Received in Past Week**

D2006.8.121 – IDT America, Corp – Complaint against CenturyTel of Montana, Inc and Petition for Expedited Complaint Proceeding.

D2006.8.122 – CenturyTel of Montana, Inc. dba CenturyTel - Transmittal No. 06-06.

D2006.8.123 – Qwest Corporation and Bresnan Broadband of Montana LLC - Application for Approval of the Wireline Interconnection Agreement.

D2006.8.124 – Qwest Corporation and Munson Radio. Inc. - Application for Approval of Type 1 and Type 2 Paging Connection Service Agreement.

N2006.8.125 – Qwest Corporation – In the Matter of Qwest Corporation's Provision of Wholesale Service to Local Service Competitors.